EXHIBIT B-10

	Adams, Ariin		rolulle i	ગ	27/2007
	Page 1				Page 2
	VOLUME I	1	APPEARAI		
	IN THE UNITED STATES DISTRICT COURT FOR THE DISTRICT OF DELAWARE	2	Counsel for	RISON SEGAL & LEWIS Plaintiff Arlin M. /	
	ARLIN M. ADAMS, Chapter 11 :	.3	Trustee 1600	Market Street	
	Trustee of the Post-Confirmation Bankruptcy :	4	Suit	e 3600	
	Estates of CORAM HEALTHCARE : CORPORATION, a Delaware :	5	(215)	adelphia, PA 19103) 751-2050	
	Corporation and of CORAM. :	6	BY: BARR	Y E. BRESSLER, ESQ. ssler@schnader.com	
	ING., a Delaware Corporation, : Plaintiff : CASE NO.	7.		•	-
·	vs. : 04-1565	8 .	AND: RICH	ARD A. BARKASY, ESQ kasy@schnader.com	• 1 1
	DANIEL D. CROWLEY; DONALD J. :	9	KEKER & VAN	•	
	AMARAL; WILLIAM J. CASEY; : L. PETER SMITH; AND SANDRA L.:	10	Counsel for	Defendant Daniel Cr	owley
	SMOLEY, : Defendants :	11		Sansome Street Francisco, CA 9411	1-1704
			(415	391-5400	, 0 /
	Tuesday, March 27, 2007	12	BY: ELLI	OT R. PETERS, ESQ.	
1	9:34 a.m.	13 14	epet	ers@kvn.com EN A. BRAUNIG, ESQ.	,
_	Videotaped deposition of ARLIN		wbra	unig@kvn.com	
	M. ADAMS, held at the law offices of Schnader Harrison Segal & Lewis, LLP,	15 16		•	
1	1600 Market Street, Suite 3600,	17 18	ALSO PRESENT	: VINCENZO PETULĻ Videographer	Α,
1	Philadelphia, Pennsylvania, 19103, pursuant to notice before Cynthia A.	19			
	Whyte, Registered Professional Reporter and Notary Public.	20 21			
		22. 23		•	•
		24 ⁻ 25.			•
	Page 3	23.			Page 4
1,	IT IS HEREBY STIPULATED AND	i		INDEX .	٠.
2	AGREED by and among counsel for the	2	WITNESS:		PAGE.
3 4	respective parties hereto that the filing, sealing and certification of the	· 4	ARLIN M. ADAMS, By	ESQ. Mr. Peters	. 5
5	within deposition shall be and the same	5	,		
6	are hereby waived. IT IS FURTHER STIPULATED	7	NO.	ADAMS EXHIBITS DESCRIPTION	PAGE
	AND AGREED that all objections,	В	Exhibit 1 C	hronology	. 7
ל	except as to the form of the	9 10		ranscript, 2/25/03 ranscript, 3/3/03	52 52
7.	question, shall be reserved to the time of the trial.	.11	Exhibit 4 L	etter, 12/24/02, to	
12 .	IT IS FURTHER STIPULATED AND	12	•	r. Schreiber from r. Bressler	80
13 . 14	AGREED that the within deposition may be	13	Exhibit 5 L	etter, 1/7/03, to	
15	signed before any Notary Public with the same force and effect as if signed and	14		r. Schreiber from r. Bressler	81
16	sworn to before the Court.	15	Exhibit 6 D	isclosure Statement	. 111
17 18		16 17 ·		-mail string mployment Agreement	120 122
19 .		18	Exhibit 9 L	etter, 10/28/03, to	
20		19		r. Schepacarter from r. Barkasy	130
21 .		20	Exhibit 10 L	etter, 10/3/06, to	
23		21		r. Bressler from Mr. emin	142
24" 25		22	Exhibit 11 M	otion of Chapter 11	
25		23	т	rustee	163
23		~~	Exhibit 12 U	pdated Report of	
24 25		24	G	oldin Associates	170
		25			•

3

6

7

10

11

12

13

14

15

1.6

1.8

19

20

21

22

23

24

25

5

6

10

11

13

14

15

16

17

18

19

20

21

.22

23

24

25

Page 17

witness not to testify as to anything that counsel has told him.

THE WITNESS: Okay.

- Q. In the course of your work as the Coram trustee, you have paid close attention to the affairs of Coram, haven't you?
 - A. Oh, of course.
- You paid close attention to the bankruptcy litigation involving Coram, correct?
 - Α. Correct.

6

7

9

10

11

12

13

14

15

16

17

18

19

3

9

10

11

13

14

16

17

18

19

20

21

22

23

24

25

15 .

- Q. The proceeds, if any, from this litigation, how will they be distributed?
- A. My understanding, somebody ought to correct me if I'm wrong, that I think they should be -- they minus expenses and counsel fees and things of that sort -- made available 17 to the equity group. That's my understanding.
- Q. Okay.

20 So Sam Zell, among others, are the 21 beneficiaries of this litigation once the 22 expenses and the counsel fees have been paid; 23 is that right?

MR. BRESSLER: I'll object to 24 25 the form.

Page 18

- I don't know. I really don't know.
- You don't know whether Sam Zell has Q.
- been a shareholder of Coram?
- He was at one time. Whether he still is, I don't know.
- Did you discuss that with him when you met personally with him?
- Q. Did Sam Zell's views about whether or not Dan Crowley should be sued influence you?
- Well, I had an open door policy. I was willing to listen to any sensible, reasonable person who wished to communicate with me, and I thought that he was in that group. Was I influenced by what he said? Sitting here today, I can't tell you. It was not great influence. You know, you hear so many things whether you are a judge or a trustee, it's hard in retrospect to be able to say what did or did not influence you, so that's where I am right now.
- Mr. Levy was the lawyer for the equity committee, correct?
 - That is correct.

Page 19

- Q. He was the lawyer for the shareholders?
 - Yeah, I think that's correct. Α.
 - Are you aware that he's a personal Q. friend of Sam Zell's?
 - I don't know about personal friend. I know he was a friend.
 - Is there a difference in your mind between friend and personal friend?
 - Well, he could have been a friend as an attorney for Sam Zell, which he was. Whether they had a social relationship or a personal relationship, I don't know that.
 - Q. But the effect of this lawsuit, if successful, would be to obtain a judgment against Dan Crowley and then deliver money so the shareholders of Coram including Sam Zell and others, correct?

MR. BRESSLER: I'll object to the form. It misstates the facts.

- A. I don't know. I don't know how they would divide the money up. Once the equity group received the money, what the division would be I don't know.
 - Do you know how much the equity

Page 20

group has received thus far under your plan of reorganization which was approved by the bankruptcy court?

MR. BRESSLER: Objection. Asked and answered, but he may answer if he knows.

- I don't know.
- Your lawsuit against Dan Crowley asserts a cause of action for breach of fiduciary duty. Are you aware of that?
 - A. That's correct, yes.
- What did Dan Crowley do to breach his fiduciary duty?
- A. Well, he entered into an arrangement with one of the note holders who was a party to the bankruptcy by which he was to receive very substantial consideration. I think that was a breach of his fiduciary duty and that was compounded when he did not disclose that fact either to the court or to me and did certain things that were completely inconsistent with assurances that he gave me that he was not receiving compensation certainly after my appointment as trustee.
 - Q. And when did those -- withdrawn.

6

10

11

12

13

14

15

16

17

19

20

21

22

23

24

25

б

7

9

10

11 12

13

14

15

16 17

18

19

20 21

22

23

24

14

15

21

22

23

24

6

9

11

16

17

18

19

20

-22

23

Page 21

Is there anything else that he did that constituted a breach of fiduciary duty as alleged in your lawsuit?

MR. BRESSLER: I'll object to the form. The complaint speaks for itself.

- A. I'd have to go back and look at the complaint. I would think so. I think the whole course of conduct by Mr. Crowley there is nothing personal about this represented in my judgment, after I learned the facts that had been disclosed as a result of discovery, constituted various aspects of breach of duty.
- Q. Is there anything else that you recall as you sit here today -- I'm not asking you to read the complaint.

Is there anything else other than what you've testified about that constituted a breach of fiduciary duty by Dan Crowley? 20

MR. BRESSLER: Objection to the form.

A. Well, I think he spent more time on non-Coram matters as a result of his relationship with Mr. Feinberg and

Page 22

- Mr. Feinberg's company than would be consistent with his obligation to Coram and to me as the trustee.
 - Q. Anything else?
- A. Yeah; and to the creditors and to the court. I think that whole arrangement is quite inconsistent with a feeling of trust that all of us considered extremely important given the circumstances.
- Q. Any other acts by Dan Crowley that you consider to have been a breach of fiduciary duty?
- A. After he was transitioned from a consultant to the CEO of Coram and before my appointment, he was instrumental in completing a sale of one of the subsidiary companies of Coram at a price that I think was considerably lower than what it should have been. I think that was serious.

He led me to believe that he was paying far more attention to Coram matters that eventually developed he had been devoting, but the idea that he led me to believe that any concerns that the court, and namely Judge Walrath, had had been taken care

Page 23

of, when in fact they had not been taken care of, created an atmosphere that was not conducive to the ultimate success of Coram and to my success as the trustee of Coram.

And I'm not sure that I can sit here 5

in response to your question and enumerate all of those aspects, but there would be many because, after all, he was the CEO of Coram.

And now I have a lingering doubt and have had a lingering doubt -- it's not so lingering anymore -- about his loyalty and devotion to duty.

Now, what his lack of loyalty, lack of devotion may have caused damage to Coram during that period, it's hard for me to answer sitting here, but it certainly is very worrisome. That's the whole problem with conflicts.

THE WITNESS: This fell off.

VIDEO TECHNICIAN: It just

clips right back on.

THE WITNESS: Thank you.

Q. I don't want to interrupt you in any way, but rather than get a speech about the problem with conflicts, I want to try to keep

Page 24

you focused on the acts of Dan Crowley that you believe constituted a breach of fiduciary duty.

MR. BRESSLER: I'll object to the question. I think he was answering that.

- Q. If you were, continue, but I think you understand the distinction I'm trying to make.
- A. I understand what you're saying, but the problem with a conflict is you don't know what motivates the actor. You can't go back and consider all of the conduct of the actor and ask the question that you're asking, did the conflict affect that decision, did the conflict affect there is no way to ascertain that. It is such an amorphous situation.

And that's why the courts and the commentators and the ethicists are so strong in condemning conflicts, because you can't individuate the individual conduct. You would have to parse the actor's mind. There is no way of doing — there is no way I can do it in any event.

Pages 21 to 24

10

13

14

15

1.7

.18

19

20

21

22

23

24

25

2

6

.7

.9

10

11

13

14

15

16

17

18

19

21

22

23

24

25

Page 97

to it.

10

11

13

14

15

16

18

19

20

21

10

11

12

13

14

15

16

17

18

19

20

21

22

23

24

- Q. But you -- withdrawn.
- . Did you review either on a weekly or monthly basis in 2003 the financial activity at Coram?
- A. I did on a summary basis. I knew what the cash receipts were. I knew what the balances were. I had to approve any contract over \$50,000. I went over each contract inorder to accomplish that.
- Q. Do you recall that at the end of the March 3 hearing the judge ruled from the bench 12 and denied your motion for approval of Adams Exhibit 4?
 - A. I remember it vividly.
 - Were you surprised?
- 17
 - But up until the time that that motion was denied by the court, you were a proponent of it. You were advocating that it be granted, correct?
- 22 A. Oh, you can so argue if you want, 23 but I was not very enthusiastic about it and 24 everybody in the courtroom knew that.
 - Q. I'm not arguing about it. I'm just

Page 98

- asking you whether, when you were in court . that day asking the court to approve the motion, you wanted the court to approve the motion?
- Α. I didn't want the court to approve the motion, no. I wanted the court to decide
- Did you authorize your attorneys to file pleadings in court in support of that motion?
 - I did. We had agreed to do that.
- Q. Was the purpose of the filing of those pleadings to persuade the court to grant your motion?
- Α. Up to a point until we found out about these documents.
- And did you at any time instruct your lawyers to communicate to the court that your position, as expressed in those papers, had changed?

MR. BRESSLER: I will object to the form and instruct you not to answer what you instructed your lawyers to do.

So you're not going to answer that question then?

Page 99

- Correct.
- Q. Did you as the trustee communicate
- to the court in any fashion prior to the court's ruling at the end of the hearing on
- March 3 that your position supporting the
- motion that the trustee had filed had changed in any way?
 - Did I communicate it? Maybe by my facial expressions but not orally or in . writing.
 - Q. What facial expressions did you make during the hearing? Well, did you make facial 12 expressions during the hearing intending to communicate to the court that you weren't supporting the motion that you had filed?
 - A. No.
 - So what makes you say that maybe your facial expressions communicated to that?
 - A. What makes me say anything is not an appropriate question. I refuse to answer it.
 - Q. When you said a moment ago that maybe your facial expressions in court communicated your feelings to the court, what facial expressions do you recall?
 - MR. BRESSLER: Object to the

Page 100

form.

You can answer it.

- I don't think that is an appropriate question to ask of me and I'm not going to answer it. There are limits to depositions.
- Q. Do you recall, in fact, having communicated in any way to the court that you were no longer a supporter of the motion you. had filed for approval of Adams 4 on March 3?
- I have answered that, and I will answer it again for the last time. No.
- Directing your attention back to Adams 1, the chronology that you arrived here with this morning, it says that you were appointed trusteé on March 7, 2002. I would like to direct your attention to that time period: Okay?
 - Α. Go ahead.
- Did there come a time that you first Q. heard of Coram Healthcare?
 - That I first heard of Coram? Α.
- Q. Healthcare, Coram Healthcare, the company.
 - There came a time, yes. Α.
 - How did you first come to hear of

Pages 97 to 100

Page 173 Page 174 Mr. Goldin whether at all relevant times the Q. You don't recall anything about what amount of Coram's debt materially exceeded the you and he discussed other than that it was company's enterprise value? about his report? A. I did not discuss that. A. That's all we talked about, his Q. Do you disagree with that statement? report. MR. BRESSLER: Object to the 0. Did you discuss -- what do you form, but he can answer it. recall discussing about his report? · A: Well, there are strong words here. You know what? We have less than a I would say -- at no time during the relevant 9 minute on the tape. Why don't we go off the period did Coram's accounting, financial record at this time because I don't want to reporting, or recordkeeping appear to be 11 run out of the tape in the middle of your 12 materially impaired. answer. I don't use these strong advocacy Α. 13 13 Okav. words. My reading these documents doesn't put 14 And we will determine whether we are a stamp of approval on them. I just want to going to continue asking questions and have 15 make that clear. I have read what he said and 16 16 them answered today or whether we are going to 17 I can't disagree about the integrity of the resume tomorrow, but we will have that report. discussion off the record. 18 18 19 Q. You cannot? 19 okav. 20 A. I don't disagree. 20 VIDEO TECHNICIAN: We are now 21 Do you recall with any more 21 off the record at 1:12. 22 specificity than what you have already told us (Discussion off the record.) 23 what it is that you discussed with Mr. Goldin (Witness temporarily excused:) about his report? 24 (The deposition adjourned at I can't recall that. 1:12 p.m.) **Page 175** Page 176 CERTIFICATE I have read the foregoing 2 I HEREBY CERTIFY that the transcript of my deposition given on proceedings, evidence and objections are contained fully and accurately in the Tuesday, March 27, 2007, and it is true, correct and complete to the best of my stenographic notes taken by me on Tuesday, March 27, 2007, and that this is a true and knowledge, recollection and belief except for the corrections noted hereon and/or correct transcript of same. the list of corrections, if any, attached on a separate sheet herewith. 10 11 13 ARLIN M. ADAMS Cynthia A. Whyte, RPR 15 16 17 17 (The foregoing certification of Subscribed and sworn before this transcript does not apply to any me this ____day of___ 19 reproduction of the same by any means, 19 20 20 unless under the direct control and/or supervision of the certifying reporter.) 21

Pages 173 to 176